

COHOES LOCAL DEVELOPMENT CORPORATION

FINANCIAL REPORT

DECEMBER 31, 2021 AND 2020

COHOES LOCAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cohoes Local Development
Corporation
Cohoes, New York

Opinion

We have audited the accompanying financial statements of the Cohoes Local Development Corporation (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cohoes Local Development Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cohoes Local Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cohoes Local Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

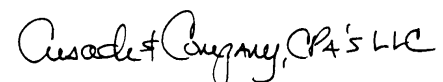
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cohoes Local Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cohoes Local Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022 on our consideration of the Cohoes Local Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cohoes Local Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cohoes Local Development Corporation's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
January 24, 2022

COHOES LOCAL DEVELOPMENT CORPORATION*STATEMENTS OF FINANCIAL POSITION**DECEMBER 31, 2021 AND 2020*

ASSETS

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 214,565	\$ 261,296
Loans Receivable, Net	115,683	154,725
Property Held for Development	<u>162,607</u>	<u>157,563</u>
Total Assets	<u>\$ 492,855</u>	<u>\$ 573,584</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 1,228	\$ 2,887
Net Assets Without Donor Restrictions	<u>491,627</u>	<u>570,697</u>
Total Liabilities and Net Assets	<u>\$ 492,855</u>	<u>\$ 573,584</u>

COHOES LOCAL DEVELOPMENT CORPORATION*STATEMENTS OF ACTIVITIES**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020*

	<u>2021</u>	<u>2020</u>
Revenue:		
Administrative Fees	\$ 225	\$ 107,508
Grant Income	5,145	-
Interest and Fees on Loans	6,980	3,356
Contributions	11,850	1,500
Gain on Sale of Property Held for Development	13,500	48,873
Miscellaneous Income	<u>3,175</u>	<u>1,331</u>
Total Revenue	<u>40,875</u>	<u>162,568</u>
Program Expenses:		
Salaries	-	8,168
Fringe Benefits and Payroll Taxes	-	831
Project Expenses	49,840	68,576
Professional Services	34,379	46,552
Marketing and Promotions	26,054	24,108
Insurance	2,021	3,621
Other Expenses	1,663	1,344
Operating Costs-Property Held for Development	<u>5,988</u>	<u>3,569</u>
Total Program Expenses	<u>119,945</u>	<u>156,769</u>
Change in Net Assets	(79,070)	5,799
Net Assets, Beginning of Year	<u>570,697</u>	<u>564,898</u>
Net Assets, End of Year	<u><u>\$ 491,627</u></u>	<u><u>\$ 570,697</u></u>

COHOES LOCAL DEVELOPMENT CORPORATION*STATEMENTS OF CASH FLOWS**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020*

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (79,070)	\$ 5,799
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Gain on Sale of Property Held for Development	(13,500)	(48,873)
Decrease in:		
Accounts Payable and Accrued Expenses	<u>(1,659)</u>	<u>(1,361)</u>
Net Cash Used In Operating Activities	<u>(94,229)</u>	<u>(44,435)</u>
Cash Flows from Investing Activities:		
Proceeds from Loan Repayments	84,042	39,662
New Loans Disbursed	(45,000)	(58,334)
Cost of Property Held for Investment	(5,044)	(200)
Proceeds from Sales of Property Held for Investment	<u>13,500</u>	<u>99,995</u>
Net Cash Provided By Investing Activities	<u>47,498</u>	<u>81,123</u>
Net Increase (Decrease) in Cash	(46,731)	36,688
Cash, Beginning of Year	<u>261,296</u>	<u>224,608</u>
Cash, End of Year	<u><u>\$ 214,565</u></u>	<u><u>\$ 261,296</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Cohoes Local Development Corporation (the “LDC”) is a not-for-profit entity incorporated in the State of New York and formed to plan, promote, coordinate and execute programs in the City of Cohoes aimed at improving the quality of life of residents.

Basis of Accounting and Reporting

The financial statements of the LDC have been prepared on the accrual basis of accounting.

Cash and Investments

The LDC had no investments or investment income for 2021 and 2020, and therefore an independent auditor’s report on compliance with investment guidelines for public authorities was not issued.

Allowance and Loan Impairment

The allowance for loan losses is maintained at a level which, in management’s judgment, is adequate to absorb credit losses inherent in the loan portfolio. The amount of the allowance is based on management’s evaluation of the collectibility of the loan portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans and economic conditions. Allowances for impaired loans are generally determined based on collateral values or the present value of estimated cash flows. Because of uncertainties associated with the regional economic conditions, collateral value and future cash flows on impaired loans, it is reasonably possible that management’s estimate of credit losses inherent in the loan portfolio and the related allowance may change materially in the near term. The allowance is increased by a provision for loan losses, which is charged to expense and reduced by charge-offs, net of recoveries.

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair value.

Revenue from cost-reimbursement grants/contracts is recognized when expenses relative to the grants/contracts are incurred. Cash received in excess of expenses incurred is recorded as deferred revenue. All monies not spent at the end of the contract period are to be returned to the grantor according to the terms of the contract. Accordingly, the LDC does not maintain any equity in these grant/contract agreements.

Revenue from entitlement grants/contracts is recognized in the period earned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The LDC is a Not-For-Profit Corporation as described in §501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes pursuant to §501(a) of the code.

Fair Value

The Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the LDC would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Cash and accounts payable and accrued expenses - The carrying amounts approximate fair value because of the short maturity of these instruments.

Loans receivable - Stated at estimated net realizable value which approximates fair value.

Property Held for Development - No attempt has been made to determine the fair value of property held for development.

Accounting for Uncertainty in Income Taxes

The Accounting Standards Codification requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The LDC has not recognized any benefits or liabilities from uncertain tax positions in 2021 and believes it has no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine the LDC's tax returns for three years from the date of filing; consequently, tax returns for years prior to 2018 are no longer subject to examination by tax authorities.

COHOES LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through January 24, 2022, the date the financial statements were available to be issued. No such events or transactions were identified.

2. LOANS RECEIVABLE, NET

Loans receivable consist of 13 loans as of December 31, 2021 (14 as of December 31, 2020) to local businesses.

	<u>2021</u>	<u>2020</u>
Total Loans Receivable	\$ 190,614	\$ 229,656
Less: Allowance for Loan Losses	<u>(74,931)</u>	<u>(74,931)</u>
Loans Receivable, Net	<u><u>\$ 115,683</u></u>	<u><u>\$ 154,725</u></u>

Additionally, at December 31, 2021 forgivable loans totaling \$10,000 were outstanding. Based on job creation/retention requirements, maintaining business in the City for five years, or maintaining residence for ten years these loans will be forgiven and, as a result, these loans have not been reflected in the statement of financial position.

3. PROPERTY HELD FOR DEVELOPMENT

Property held for development consists of the following:

	<u>2021</u>	<u>2020</u>
Vacant Lots	\$ 4,563	\$ 4,563
67 Remsen Street	8,000	8,000
222 Remsen Street	5,044	-
Whitehall Avenue	<u>145,000</u>	<u>145,000</u>
	<u><u>\$ 162,607</u></u>	<u><u>\$ 157,563</u></u>

Property held for development is evaluated for impairment on an annual basis.

COHOES LOCAL DEVELOPMENT CORPORATION*NOTES TO FINANCIAL STATEMENTS (CONTINUED)**DECEMBER 31, 2021 AND 2020*

4. PROJECT EXPENSES

Project expenses were as follows:

	<u>2021</u>	<u>2020</u>
Facade and Sign Grants	\$ 30,840	\$ 24,576
Mural Program	19,000	-
Reopen Grants	-	44,000
	<u><u>\$ 49,840</u></u>	<u><u>\$ 68,576</u></u>

5. COMMITMENTS AND CONTINGENCIES

The LDC has agreed to be a guarantor for the line of credit of the City of Cohoes Industrial Development Agency (“IDA”). The IDA has a \$1,000,000 line of credit available to acquire property held for development, of which \$0 was outstanding at December 31, 2021 and 2020.

The LDC participates in various grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the LDC’s compliance with applicable grant/contract requirements will be established at some future date. The amount, if any, of any expenditures or funding which may be disallowed by the granting agencies cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

6. LIQUIDITY

The Corporation’s liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, liabilities and other obligations of:

Financial assets:	
Cash	\$ 214,565
Less: Loan Commitments	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 214,565</u></u>

COHOES LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

7. UNCERTAINTY

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the LDC and its future financial position and results of operations is not presently determinable.

**ADDITIONAL REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Cohoes Local Development
Corporation
Cohoes, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cohoes Local Development Corporation ("LDC"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the LDC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
January 24, 2022